



House of Representatives

General Assembly

File No. 665

February Session, 2016

House Bill No. 5420

House of Representatives, April 19, 2016

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING PRINCIPAL INVESTMENT OFFICERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 3-13a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) The Treasurer, with the advice and consent of the Investment
5 Advisory Council, shall appoint a chief investment officer and may
6 appoint a deputy chief investment officer and principal investment
7 officers to assist the chief investment officer, for the Connecticut
8 retirement pension and trust funds, who shall serve at the pleasure of
9 the Treasurer and whose compensation shall be determined by the
10 Treasurer within salary ranges established by the Treasurer in
11 consultation with the Investment Advisory Council. The provisions of
12 section 4-40 shall not apply to the compensation of said officers. The
13 chief investment officer shall be sworn to the faithful discharge of
14 duties under law and shall, under the direction of the Treasurer and
15 subject to the provisions of sections 3-13 to 3-13d, inclusive, and 3-31b,

16 advise the Treasurer on investing the trust funds of the state. Said
17 officer shall also perform such other duties as the Treasurer may direct.
18 In addition to said officers, the Treasurer may appoint [principal
19 investment officers,] investment officers and other personnel to assist
20 said chief investment officer, which officers and other personnel shall
21 serve at the pleasure of the Treasurer.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-13a(a)

APP *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Treasurer	Various - Potential Cost	Minimal	Minimal

Note: Various=Various

Municipal Impact: None**Explanation**

The bill may potentially result in a minimal cost to the Office of the State Treasurer by removing certain compensation restrictions and approvals from the principal investment officer classification. The potentially increased cost arises from the ability of the Treasurer to award compensation at a level above that which the current classification system allows.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OFA Bill Analysis**HB 5420*****AN ACT CONCERNING PRINCIPAL INVESTMENT OFFICERS.*****SUMMARY:**

The bill allows the Treasurer to appoint principal investment officers at a compensation level determined by the Treasurer in consultation with the Investment Advisory Council. In doing so, the bill removes certain compensation restrictions and approvals from the principal investment officer classification.

EFFECTIVE DATE: Upon passage

BACKGROUND

Except as otherwise allowed by statute, the salary and compensation of all state executive branch officers, boards, commissions, deputies and employees, is determined by the Commissioner of Administrative Services, subject to the approval of the Secretary of the Office of Policy and Management.

COMMITTEE ACTION

Appropriations Committee

Joint Favorable

Yea 55 Nay 0 4/7/2016